

efficient administration of the bankruptcy estate.

3. Likewise, in a bankruptcy proceeding, “the court for cause shown may in its discretion with or without motion or notice order the [response] period reduced.” Fed R. Bankr. P. 9006(c)(1) (emphasis added). The issue of shortening an answer date of an adversary proceeding is left to the bankruptcy court’s sound discretion.

4. The Committee submits that there is sufficient cause to justify shortening the answer date. All of the Defendants in the Complaint are adequately represented by counsel in related proceedings in Adversary No. 10-03026, where such counsel has filed pleadings and appeared on their behalf in relevant hearings therein. In fact, the Defendants have litigated and briefed many of the common factual issues raised by the Complaint (*see, e.g.*, Adversary No. 10-03026, Docket #14).

5. Moreover, the subordination issue must be resolved to determine voting, distribution, and the best interests of creditors issues for confirmation of any plan of reorganization. A plan must be filed by March 15 or the Debtors will be in default under loan covenants with their DIP Lender.

6. Therefore, there is adequate cause to reduce Defendants’ deadline to answer the Complaint. A shortened answer date will not prejudice the Defendants, nor will it prejudice any other parties in interest. The Court may take judicial notice of the complaint and its brevity.

7. The Committee will serve the Motion to Shorten upon the same parties served with the Complaint. If the answer date is shortened, Counsel for the FLI Defendants will be notified immediately by e-mail and notice of the order shortening the answer date will be served by overnight courier to the defendants at their service addresses.

WHEREFORE, PREMISES CONSIDERED, the Committee requests the Court reduce the time to answer the Complaint to March 25, 2010, and for such other and further relief to which it may show itself justly entitled.

DATED: March 9, 2010.

Respectfully submitted,

MCKOOL SMITH P.C.

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ATTORNEYS FOR OFFICIAL COMMITTEE
OF UNSECURED CREDITORS

CERTIFICATE OF SERVICE

I hereby certify that on March 10, 2010, a true and correct copy of the foregoing document has been served via DLR 5.1 and the ECF system to the parties on the ECF service list and by mail to Defendants at the service addresses listed on the complaint.

/s/ Hugh M. Ray, III
HUGH M. RAY, III